BOB F. ANDERSON, PE, INC.

PETROLEUM ENGINEERS & CONSULTANTS
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May 20, 2005

Honorable James H. Welsh, Commissioner of Conservation Office of Conservation P. O. Box 94275 Baton Rouge, LA 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Proposed Additional Unit Brown Ozley Zone – Hosston Formation Bear Creek Field Bienville Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **SMITH OPERATING & MANAGEMENT COMPANY**, (Applicant), to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Brown Ozley Zone -Hosston Formation, Bear Creek Field, Bienville Parish, Louisiana:

- 1. To establish one (1) additional 725.4 +/- acre drilling and production unit for the exploration for and the production of gas and condensate for the Brown Ozley Zone Hosston Formation, Bear Creek Field, Bienville Parish, Louisiana, such unit being designated BR-OZ SUGG, and shown on the attached plat and being made a part hereof.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property within each of the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract to share in the unit production on a surface acreage bases of participation.
- 3. To designate a unit operator and unit well where applicable.
- 4. To extend the provisions of the 78-D Series of Office of Conservation Orders and other applicable Statewide Orders to the proposed Brown Ozley Zone -Hosston Formation unit being proposed herein.
- 5. To consider and cover such other matters as the Commissioner of Conservation may deem and appropriate.

The Brown Ozley Zone - Hosston Formation in the Bear Creek Field, Bienville Parish, Louisiana, was defined in the 78-D Series of Office of Conservation Orders.

The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained at the expense of the requesting party.

A pre-application notice was sent to all parties stating a time and date for a conference to discuss the application and any objections thereto, however no request for a conference was received, therefore no conference was held.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this application is being sent. A copy of this letter and the attached plat is being sent to the District Manager of the Shreveport District Office of Conservation and to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list.

Attached hereto is our check, made payable to the Office of Conservation, to cover the applicable hearing fee.

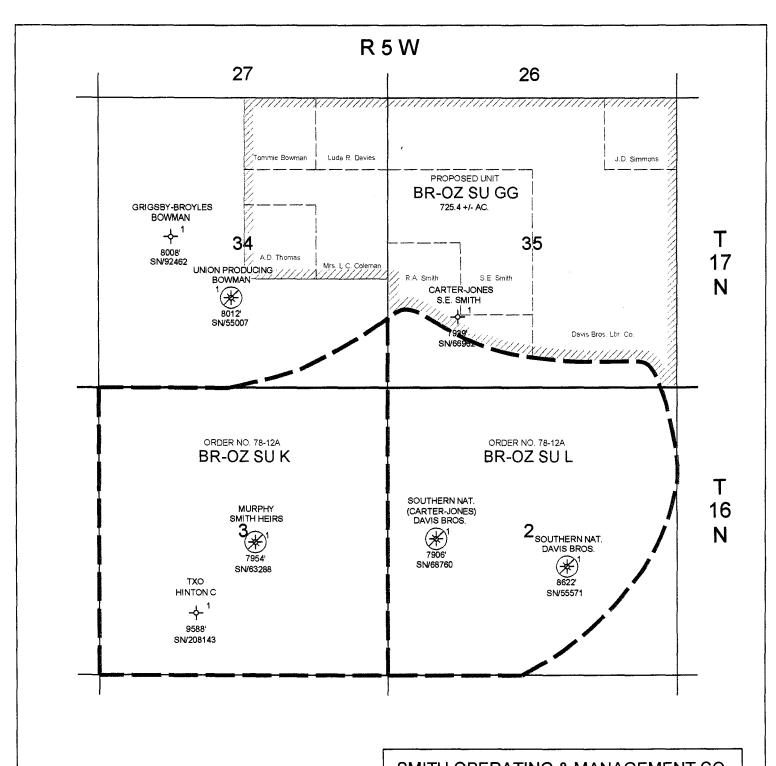
Yours truly,

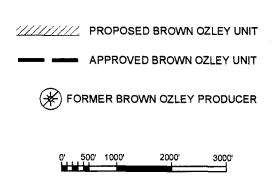
B. F. Anderson, PE for

BF and

SMITH OPERATING & MANAGEMENT COMPANY

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation (w/encl.)
Interested Owners, Represented Parties and Interested Parties (w/plat only)
Smith Operating & Management Company (w/encl.)





SMITH OPERATING & MANAGEMENT CO. BEAR CREEK FIELD BIENVILLE PARISH, LOUISIANA PROPOSED ADDITIONAL SAND UNIT BR-OZ SU GG 725.4 +/- ACRES